

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0506-01
Bill No.: SB 163
Subject: Health Department; Health, Public; Drugs and Controlled Substances; Medical Procedures and Personnel
Type: Original
Date: January 24, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$205,418)	(\$254,874)	(\$263,431)
Total Estimated Net Effect on <u>All</u> State Funds	(\$205,418)	(\$254,874)	(\$263,431)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health** and the **Department of Social Services** assume this proposal would not fiscally impact their agencies.

Office of Secretary of State (SOS) officials did not respond to our fiscal impact request. However, in response to a similar proposal last session SOS stated the proposal would create a Needle Exchange Program within the Department of Health. SOS stated that based on experience with other divisions, the rules, regulations, and forms issued by the Department of Health could require as many as approximately twelve pages in the "Code of State Regulations". SOS states that for any given rule roughly half again as many pages would be published in the "Missouri Register" as in the "Code" because cost statements, fiscal notes, and the like are not repeated in the "Code". SOS stated these costs are estimated. SOS estimated the cost of a page in the "Missouri Register" to be \$22.50. SOS estimates the cost of a page in the "Code" to be \$26.50. SOS stated the actual costs could be more or less than the numbers given. SOS stated the impact of this proposal in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded, or withdrawn. SOS stated the proposal alone does not require additional personnel but the cumulative effect of other proposals that require rulemaking activity may, in the aggregate, necessitate additional staff.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple proposals pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Health (DOH)** would establish needle exchange programs in Kansas City, St. Louis and Columbia, Missouri. Columbia is included because of the intravenous drug use (IVDU) "risk factor" ascribed to a significant portion of the HIV/AIDS cases in the region. Each of the cities provide residential treatment programs for IVDUs and would have capabilities for outreach activities to the IVDUs in the community thereby assisting and expanding prevention efforts through needle exchange and treatment programs. DOH states the fiscal note reflects the cost of establishing three needle exchange programs in each of these cities. The contracted cost of staff and operations (excluding cost of syringes) is estimated at \$53,000 per city. DOH assumes that contracts would be entered into with health departments or agencies with an existing infrastructure who currently access the population at risk for one service or another such as local community health centers. A contractor may choose to divide the resource to incorporate needle exchange into a variety of settings which provide access to IVDUs. Needles/syringes may be purchased in volume for as little as 15 cents each. It is estimated that the total number of IVDUs in Missouri approaches 12,000. There were 1,594 individuals participating in IVDU treatment programs offered through the Department of Mental

ASSUMPTION (continued)

Health in FY 99. It is assumed that 1,600 persons annually would participate in needle exchange programs. It is noted that syringes are currently available over the counter in Missouri, and that many IVDUs would not identify through an exchange program. Drug usage, i.e., opiates, cocaine, amphetamines and the individual's use rate would determine the number of needles required for exchange. It is assumed that on the average each participant would exchange needles at the rate of one needle per day. The additional cost for needles is estimated at $1600 \times 365 \text{ days} = 584,000 \times .15 \text{ per needle} = \$87,600$.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
---	---------------------	---------	---------

GENERAL REVENUE FUND

Cost - Department of Health

Contract services	(\$132,447)	(\$163,770)	(\$168,683)
Hypodermic/syringes	(\$72,971)	(\$91,104)	(\$94,748)
Total <u>Cost</u> - Department of Health	(\$205,418)	(\$254,874)	(\$263,431)

**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

<u>(\$205,418)</u>	<u>(\$254,874)</u>	<u>(\$263,431)</u>
--------------------	--------------------	--------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
---	---------------------	---------	---------

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
------------	------------	------------

FISCAL IMPACT - Small Business

Small businesses would expect to be fiscally impacted to the extent they would incur increased revenues and expenses by participating in the program outlined in this proposal.

DESCRIPTION

This proposal would establish a Needle Exchange Program within the Department of Health. The Program would attempt to reduce HIV transmission by providing sterile needles and would encourage participants to seek substance abuse counseling. The Department may legally possess and distribute hypodermic needles or syringes as part of the Program. All records associated with the Program would be closed.

MW:LR:OD (12/00)

DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health
Department of Social Services
Department of Mental Health

NOT RESPONDING: Office of Secretary of State

A handwritten signature in black ink, appearing to read "Jeanne Jarrett".

Jeanne Jarrett, CPA
Director

January 24, 2001